

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2002

	December-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
<i>AllianceBernstein</i>	90,682	1.9%	2.3%	2.89%	88,119	1.9%	2.3%	-13.54%	-11.04%	-28.65%	-16.80%	N/A
<i>Russell 1000 Growth</i>				7.15%				-15.05%	-8.97%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
<i>LSV</i>	101,706	2.1%	2.3%	6.53%	95,492	2.1%	2.3%	-18.60%	-13.28%	2.41%	5.40%	N/A
<i>Russell 1000 Value</i>				9.22%				-18.77%	-11.28%	-8.96%	-2.92%	N/A
<i>S&P 500 Index</i>												
<i>State Street</i>	473,725	10.0%	10.5%	8.41%	436,958	9.6%	10.5%	-17.26%	-10.30%	-18.03%	-9.27%	3.58%
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.99%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	666,113	14.0%	15.0%	7.34%	620,568	13.6%	15.0%	-16.96%	-10.86%	-16.89%	-8.30%	3.74%
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.99%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
<i>SEI</i>	226,769	4.8%	5.0%	4.91%	216,166	4.7%	5.0%	-19.31%	-15.35%	-11.77%	N/A	N/A
<i>Russell 2000 + 200bp</i>				6.68%				-20.97%	-15.69%	-7.96%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	226,769	4.8%	5.0%	4.91%	216,166	4.7%	5.0%	-19.31%	-15.35%	-11.69%	2.22%	4.32%
<i>Russell 2000</i>				6.16%				-21.40%	-16.55%	-8.59%	1.67%	4.44%
CONVERTIBLES												
<i>TCW</i>	484,597	10.2%	10.0%	8.15%	448,073	9.8%	10.0%	-10.05%	-2.72%	-20.37%	-2.22%	N/A
<i>First Boston Convertible Index</i>				9.83%				-8.47%	0.52%	-12.44%	0.11%	N/A
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
<i>Capital Guardian</i>	437,480	9.2%	9.0%	7.30%	408,577	9.0%	10.0%	-20.58%	-14.78%	-12.10%	-2.96%	2.87%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-7.32%	-1.89%
<i>Small Cap - Value</i>												
<i>Lazard</i>	47,790	1.0%	1.0%	N/A	-	0.0%	10.0%	N/A	N/A	N/A	N/A	N/A
<i>SSB BROAD MARKET INDEX < \$2BN</i>				N/A				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	485,271	10.2%	10.0%	7.81%	408,577	9.0%	10.0%	-20.58%	-14.37%	-12.10%	-2.96%	2.87%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-7.32%	-1.89%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
<i>Western Asset</i>	1,260,272	26.5%	25.0%	2.96%	1,229,080	26.9%	25.0%	3.51%	6.57%	8.36%	8.53%	7.80%
<i>Lehman Aggregate</i>				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%
<i>Index</i>												
<i>Bank of ND</i>	668,538	14.1%	15.0%	1.65%	688,481	15.1%	15.0%	5.96%	7.71%	8.38%	7.79%	7.42%
<i>Bank of ND CD'S</i>	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	5.04%	5.55%	5.48%
Total Index	668,538	14.1%	15.0%	1.65%	688,481	15.1%	15.0%	5.96%	7.71%	8.14%	7.66%	7.30%
<i>Lehman Gov/Credit</i>				1.73%				5.70%	7.52%	8.24%	7.86%	7.47%
<i>BBB Average Quality</i>												
<i>Strong</i>	506,945	10.7%	10.0%	4.48%	487,305	10.7%	10.0%	3.08%	7.69%	N/A	N/A	N/A
<i>Lehman US Credit BAA</i>				4.59%				2.70%	7.42%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,435,755	51.2%	50.0%	2.89%	2,404,866	52.7%	50.0%	4.11%	7.12%	7.55%	7.88%	7.42%
<i>Lehman Gov/Credit</i>				1.73%				5.70%	7.52%	8.24%	7.86%	7.47%
CASH EQUIVALENTS												
<i>Bank of ND</i>	459,252	9.7%	10.0%	0.41%	465,531	10.2%	10.0%	0.48%	0.89%	2.41%	4.76%	4.99%
<i>90 Day T-Bill</i>				0.43%				0.45%	0.88%	2.63%	4.68%	4.84%
TOTAL BONDING FUND	4,757,758	100.00%	100.00%	4.21%	4,563,781	100.00%	100.00%	-4.50%	-0.48%	-2.86%	2.87%	6.19%
<i>POLICY TARGET BENCHMARK</i>				3.96%				-3.96%	-0.16%	-1.19%	2.83%	5.77%

NOTE: Monthly returns and market values are preliminary and subject to change.